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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 608
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

May 26, 2005

Dimitri N. Gay, City Court Administrator
City Courts
1430 Olive Street, Room #105
St. Louis, MO 63103-2303

RE: Payroll Distribution of the City Courts, for the Payroll Period Ending March 19, 2005 (Project # 2005-32)

Dear Mr. Gay:

The Internal Audit Section of the Comptroller's Office has conducted a payroll distribution observation of the City Court (#316) for the pay period ending March 19, 2005. The objective of this review was to determine whether:

- Eligible employees receive wages.
- Wages are adequately safeguarded.
- Employees are only paid for actual hours worked.
- The accrual and use of paid leave is accurate.

Our fieldwork was substantially completed on March 29, 2005. The Department's management declined an exit conference to discuss the observation and recommendation noted in the report.

Management's response to the observation and recommendation noted in the report was received on May 24, 2005 and has been attached to the report.

We have made the following observation and recommendation:

Opportunity to Improve Controls over Payroll Procedures

We noted differences between Comptroller's Vacation and Sick Leave Report and the City Courts Internal payroll records as follows:

- According to the Employee Vacation Leave Request form, an employee used forty (40) hours of compensatory time. The daily Group Attendance Sheet, the department's certified time sheet and the Comptroller's Vacation and Sick Leave Report, however, listed these hours as vacation hours.

- According to the Employee Sick Leave Request Form an employee requested 12 hours of sick leave. However, as per the Daily Group Attendance Sheet and the Vacation and Sick Leave Report this employee took 13 hours of sick leave.
- An employee-submitted two (2) Employee Vacation Leave Request Forms for 13.25 hours of compensatory time. However, the Vacation Daily Group Attendance Sheet and the Vacation and Sick Leave Report showed that this employee took 15.5 hours of Compensatory time.
- According to the Employee Leave Request Form and the Daily Group Attendance Sheet an employee used 2.25 hours of compensatory leave. The department's certified time sheet and the Comptroller's Vacation and Sick Leave Report, however, showed that this employee did not use any compensatory leave.
- Employee's overtime hours recorded on the Daily Group Attendance Sheets for employees who worked on the weekends (March 12, & 19, 2005) were not approved by the immediate supervisors or a manager.
- We noted five (5) out of 10 Daily Group Attendance sheets for the pay period ending March 19, 2005 were not signed by the immediate supervisors or a manager.

Recommendation

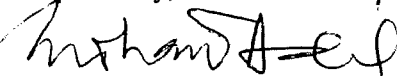
We recommend that the City Courts ensure that the internal payroll records are:

- Reviewed for accuracy prior to their submission to the Comptroller's Office Payroll Services Section.
- Reconciled to the Comptroller's payroll records.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact me at (314) 613-7410.

Respectfully,



Mohammad H. Adil, CPA
Internal Audit Manager

Attachment

CC: Honorable Darlene Green, Comptroller
Rita Kirkland, Director of Operations, Office of the Mayor
Kathryn Lawson, Payroll Manager, Comptroller's Office



CITY OF ST. LOUIS
TWENTY-SECOND JUDICIAL CIRCUIT OF MISSOURI
MUNICIPAL DIVISION
1430 OLIVE - ROOM 105
ST. LOUIS, MISSOURI 63103
314-622-4701



ADMINISTRATIVE JUDGE
Margaret J. Walsh

MAYOR
Francis G. Slay

COURT ADMINISTRATOR
Dimitri N. Gay

May 19, 2005

Mohammad H. Adil, CPA
Internal Audit Manager
Internal Audit Section

Re: Payroll Distribution Observation for Pay Period Ended March 19, 2005

Dear Mr. Adil:


All the observations noted during the Payroll audit have been corrected. The following controls as well are under consideration:


- Periodic reconciling Payroll records to the Comptroller's records on a monthly basis.
- Necessary policies would be put in place to ensure use of proper forms, timely request of Vacation, Sick leave etc, properly documented time-off before Payroll processing, and instruction to the Payroll clerk not to accept unsigned any Payroll forms.
- Ensure adequate payroll supplies.

Above all, to really have any efficient and effective Payroll system in this technological era, non-computerization of the Payroll system would be inevitable. Hopefully Comptroller's office would explore computerization which would enhance department's Payroll procedures across the board. This has been repeated multiple times over my tenure without demonstrable proof that actions have been taken. I would like to have a written response to this concern.

Please contact me at 622-4601 if you have any questions.

Sincerely,


Dimitri N. Gay
City Court Administrator


Nurudeen K. Alli
City Court Accountant